

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 3297 - SB 3391**

February 10, 2010

**SUMMARY OF BILL:** Authorizes one additional year of credible service as it relates to retirement benefits for certain electing members subject to employment restrictions pursuant to Tenn. Code Ann. § 3-6-304(l), when such members leave their restricted positions on or after December 31, 2010, but prior to July 1, 2011.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$83,000/Annual Amortized Cost**

**Increase Federal Expenditures - \$27,700/Annual Amortized Cost**

**Assumptions:**

- Pursuant to Tenn. Code Ann. § 3-6-304(l), no member of the General Assembly, elected official in the executive branch, member of the Governor's cabinet, or cabinet level staff within the Governor's office shall be a lobbyist during the twelve-month period immediately following departure from such office or employment.
- Total lump sum pension liability is estimated to be \$1,127,500.
- Annual amortization cost (\$110,700) assumes a 20-year lump sum liability.
- Funding ratio for state employee cost is 75 percent state and 25 percent federal.
- The increase to state expenditures is estimated to be \$83,000 per year ( $\$110,700 \times 75.0\% = \$83,025$ ).
- The increase to federal expenditures is estimated to be \$27,700 per year ( $\$110,700 \times 25.0\% = \$27,675$ ).

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/rnc

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